

DIRECT TESTIMONY

of

CAROLYN L. BOWERS

Accounting Department
Financial Analysis Division
Illinois Commerce Commission

Reconciliation of Revenues Collected Under Fuel Adjustment Charges
With Actual Costs Prudently Incurred

South Beloit Water, Gas and Electric Company

Docket No. 02-0714

September 25, 2003

1 Q. Please state your name and business address.

2 A. My name is Carolyn L. Bowers. My business address is 527 East Capitol Avenue,
3 Springfield, Illinois 62701.

4 Q. By whom are you employed and in what capacity?

5 A. I am currently employed as an Accountant in the Accounting Department of the
6 Financial Analysis Division of the Illinois Commerce Commission ("ICC" or
7 "Commission").

8 Q. Please describe your background and professional affiliations.

9 A. I am a Certified Public Accountant with a Bachelor of Arts in Accountancy from
10 Sangamon State University. Prior to joining the Commission in June 2001, I was
11 engaged in the practice of public accounting for fourteen years.

12 Q. Have you previously testified before any regulatory bodies?

13 A. Yes, I have testified on several occasions before the Commission.

14 Q. What is the purpose of your testimony in this proceeding?

15 A. The purpose of my testimony is to report the results of my review of South Beloit's
16 Reconciliation as presented by its witness Sonya Kessinger in Exhibit 1.1 of her
17 Supplemental Revised Testimony, and the underlying documents which support
18 the calculations.

19 Q. Do you recommend any adjustments to South Beloit's FAC reconciliation as a
20 result of your review?

21 A. No, I recommend that the adjustment in Company Exhibit 1.1 be accepted.

22 Q. Please summarize your recommendations.

23 A. I find no reason to object to the Company's revised reconciliation of FAC
24 revenues collected under its Fuel Adjustment Clause with the actual cost of fuel. I
25 recommend that the Commission accept the reconciliation of revenues collected
26 under the fuel adjustment clause with the actual costs of fuel as reflected in
27 Exhibit 1.1, sponsored by South Beloit witness Sonya Kessinger in her
28 Supplemental Revised Testimony. I further recommend that the Company submit
29 supporting workpapers detailing the allocation of transmission costs to the
30 Accounting Department with their monthly FAC filing.

31 Q. Does the reconciliation require an Ordered Reconciliation Factor (Factor Ro)?

32 A. Yes, the reconciliation in this proceeding requires a Factor Ro collection in the
33 amount of \$ 79,638. This amount should be included in the first monthly filing
34 following the date of the Order in this docket.

35

35 The Factor Ro is comprised of the following:

36	Duplicate refund from 2001	\$ 333,019
37	4 th Quarter Adjustment not reflected on monthly	
38	FAC filing (Commodity)	(28,164)
39	4 th Quarter Adjustment not reflected on monthly	
40	FAC filing (Demand)	(224,951)
41	Inter-department Adjustment	<u>(266)</u>
42		
43	Factor Ro - Collection	<u>\$ 79,638</u>
44		

45 Q. Does this question end your prepared direct testimony?

46 A. Yes, it does.

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

ILLINOIS COMMERCE COMMISSION

On Its Own Motion

-vs-

SOUTH BELOIT WATER, GAS AND ELECTRIC COMPANY

02-0714

Reconciliation of revenues collected under fuel
adjustment charges with actual costs prudently
incurred.

NOTICE OF FILING

TO ATTACHED SERVICE LIST:

YOU ARE HEREBY NOTIFIED that we have, on this 25th day of September 2003 forwarded to the Chief Clerk of the Illinois Commerce Commission for filing in the above-captioned docket, the Direct Testimony of the Illinois Commerce Commission Staff Witness Carolyn Bowers of the Financial Analysis Division, Accounting Department, a copy of which is hereby served upon you.

Steven R. Knepler
Supervisor
Accounting Department
527 East Capitol Avenue
Springfield, IL 62701

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT copies of the foregoing Notice, together with the documents referred to therein, were served upon the parties on the attached Service List, by messenger, electronic mail, facsimile and/or first-class mail, proper postage prepaid from Springfield, Illinois, on this 25th day of September 2003.

Steven R. Knepler
Supervisor
Accounting Department

SOUTH BELOIT WATER, GAS AND ELECTRIC COMPANY
Docket No. 02-0714
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ILLINOIS COMMERCE COMMISSION

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